

MINUTES

MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON RULES

Call to Order: By **CHAIRMAN JOHN HARP**, on January 8, 1999 at 10:15 A.M., in Room 413/415 Capitol.

ROLL CALL

Members Present:

Sen. John Harp, Chairman (R)
Sen. Bruce Crippen, Vice Chairman (R)
Sen. Vicki Cocchiarella (D)
Sen. Steve Doherty (D)
Sen. Lorents Grosfield (R)
Sen. Mike Halligan (D)
Sen. Don Hargrove (R)
Sen. Mike Taylor (R)
Sen. Fred Thomas (R)

Members Excused: Senators Beck, Swysgood and Nelson

Members Absent: None.

Staff Present: Greg Petesch, Legislative Branch
Fredella D. Haab, Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:
Executive Action:

CHAIRMAN JOHN G. HARP discussed having the consent calendar removed from the Senate proceedings.

Motion/Vote: **SEN. GROSFIELD** moved **REMOVAL OF CONSENT CALENDAR**.
Motion carried unanimously.

CHAIRMAN HARP asked if there were any other discussions on the Senate Rules?

SENATOR BRUCE CRIPPEN stated there are some committees like the Select Committees that bills have had a hearing and he wanted the authority to go from the Select Committee straight to the floor.

SENATOR MIKE HALLIGAN stated he hoped he would at least call **SENATOR STEVE DOHERTY**.

PRESIDENT CRIPPEN asked how they handled the fiscal note.

CHAIRMAN HARP said it was 72 hours and from there on it was fair game.

Greg Petesch said some things he thought could hold one hearing are things like the sister state, tri resolutions, etc.

SENATOR DOHERTY said some of the non controversial, impacted kind of bills could go straight to the Floor. The business equipment tax no matter how you cut whether it is back through the property tax or if you get a credit on your income tax, that was going to have a major fiscal impact and that was going to have to go to Taxation first.

CHAIRMAN HARP asserted they didn't have any intentions of doing anything different.

SENATOR TAYLOR hoped that the people attended the hearings. He knew everyone was busy.

SENATOR GROSFIELD agreed that it was a good point. He agreed significant things need to go to the Committees but he didn't want the hearings on Jobs and Incomes Committee to be just nothing because there was going to have a real hearing anyway. They are important hearings also.

PRESIDENT CRIPPEN said when some of these bills are heard there might be some members available for questions in the Select Committees.

SENATOR TAYLOR understood that next week they are open for suggestions, comments, and any one who wants to speak on it in a regular hearing.

SENATOR GROSFIELD said the Jobs and Income Committee can amend them and send them to another committee and they could be amended again.

Greg Petesch said the rule that was written provides that if a bill was amended it had to go to another committee. If it was

amended by the House where it was introduced then the second House had to hold a new hearing.

CHAIRMAN HARP stated if they took Taylor's bill and it was amended in the Senate then it had to go to the Standing Committee in the House.

SENATOR GROSFIELD asked if it was amended after it leaves the Job and Income hearing, what happens?

SENATOR HALLIGAN said if it was fast tracked to the Floor and not amended then it doesn't have to be refer to a committee in the House.

Greg Petesch said the way the rule reads, **SENATOR GROSFIELD**, if the bill is passed by the House of origin, it was transmitted to the other House and if it wasn't amended , period, it may be placed on Second Reading. The way the Rule was crafted for the Joint Hearing to count both committees, the Joint committee would have to be hearing the same version of the bill and the bodies on the Floor are acting on the same version of the bill as was heard in order for the fast track to even apply.

SENATOR VICKI COCCHIARELLA said she really liked the concept and she thought the Select Committee was an incredible positive experience and thought it would create efficiency in the future.

CHAIRMAN HARP said they would not be as far in the ball game if it wasn't for the Select Committees prior to the Session.

SENATOR TAYLOR wanted to comment that both sides of the aisle in these Select Committees have worked together. We have had disagreements and we might not agree on the full principle but overall we have dissected these things and talked about all these issues. In fact these bills are coming out of the Select Committee voted unanimously.

Senator Grosfield said unanimously or close to it. The worst vote was 9-3.

SENATOR HALLIGAN wasn't interested in their committee hearing any bills but they are making sure the bill drafts are as comprehensive as they can be.

SENATOR HALLIGAN said they were getting as much testimony as we can and structure every bill to get it in place and to tell the sponsor to get it in.

SENATOR COCCHIARELLA thought another thing that would be interesting, **Greg**, for you to give us a numbers of additional bills that are required because of CI-75.

Greg Petesch said he could tell partially, but they are hitting issues as they are drafting bills where we hit something and we have to split it to deal with something that we weren't aware of because we didn't have the information up front. They are 1547 requests right now. Not bills, requests. He could tell how many additional requests have been generated because of that but the number of requests was misleading because **SENATOR HARP'S** bill, **SENATOR GROSFIELD'S**, and **SENATOR GLASER'S** bill are probably the equivalent of a hundred bills.

SENATOR HALLIGAN thought because of CI-75 we have the 500 page bills. The length of these bills are also the issue. What is the timing or bonding information for tax increment financing stuff for education.

Greg Petesch, Legislative Services Division, said the biggest hangup for the Select Committee was going to be school funding. For example, what we get into **SENATOR HARP'S** bill it was pretty straight forward under CI75. He was working closely with bond counsel to get bonding straightened out and he thought they were going to allow the state GO bonds here fairly soon. We cannot issue GO bonds even for the approved projects right now. Yesterday we were hammered on our initial draft. The hangup was education because for school funding it was essentially uncharted water. There was nothing clear under CI-75 other than we cannot require people to directly impose levies any more. You end up with a whole bunch of major policy choices. Do you want to continue voting budget authority even though now it is meaningless. Do you want to have all the separate levies as they still exist or do you want to give the districts an omnibus levy so they have some flexibility in the event their levy fails to shift funds from between transportation and the general fund. All those policy choices we've developed and working for the sub committee have spreadsheets that say do you want this in or not. Having made that choice then we have some direction as to the policy that it is going to take a significant amount of time to do.

CHAIRMAN HARP asked what happens with equalization?

Greg Petesch stated they have to adjust funding for those low spending districts as they are the ones normally required to raise their levy. We can require them to submit the levy but if that levy fails we are dis equalized. That was why you need major policy decisions made as to what portion of the current structure

was to be maintained. That was where the major problem of CI-75 hits. Most of the other issues are straight forward and can be dealt with.

PRESIDENT CRIPPEN asked how they were going to handle it when they get to that point. If they have to make the public aware of what the problem was and also make the legislature aware of it what we are doing, how do they go about doing?

Greg Petesch reported that they have kicked out two bills already that are ready for introduction and that was the authority for local governments to deal with emergencies and the other was to clarify the remaining in effect the indemnification and defense of public officers and employees at all levels.

SENATOR DOHERTY wondered what the insurance companies had said about this? The usual insurance company policy says you break the law you don't have any coverage.

Greg Petesch hadn't heard from the insurance companies. What we did was to draft something. A lot of people were argued that CI-75 had repealed Title 2, Chapter 9, the state and local indemnification and defense laws. We have clarified that those remain in effect. What they said was you don't have immunity from violation of CI-75 and we can't impose it.

SENATOR DOHERTY said the bigger question is if the Great Falls School District does something and they get sued, they have no immunity. The school district trustee could have a \$100,000 judgement for whatever reason. The school district indemnified but does not have the money - bigger question was - was the insurance company going to pay the money or was it coming out of the operating budget of the Great Falls School District?

Greg Petesch said those two bills are done. He thought they had the general obligation bill done until Moody dinged us on what they said the rating would be yesterday.

CHAIRMAN HARP asked if it lowered our reading?

Greg Petesch said he thought it was about 2/6 of a point or something which doesn't sound like a lot but on a big bond issue it's a lot. So we are making changes now that should allow them the comfort factor they were thinking to do that. **SENATOR GLASER'S** bill on elections was being reviewed by Senator Bartlett. She asked time to review the bill as she was once a County Clerk and Recorder. He sincerely appreciated her for going through 150 pages. We have other requests in from the committee on water and sewer bonds and other types of revenue

bonds including RSID SID Bonds. We have some other local government issues that we are kind of stumbling in the dark because he can't come up with the answers. We have a general definition bill that we are going to clarify for example what is a competitive market, those kinds of issues. We have a lot done. We have a lot of huge bills done but we have about 5 other bills that he hadn't started yet.

SENATOR HALLIGAN thought they should make sure everybody understood the affect of the bonds.

CHAIRMAN HARP said they really don't know where most of the bills are going.

Greg Petesch thought **REP. KASTEN** was assigned to carry that bill by the Committee.

SENATOR COCCHIARELLA asked if they were compiling a list of bills for ballot issues so we can have a number or an idea what people are going to have to vote on as we go through the process. She wanted to know that because she had heard like five bills and now there are at least two that will go on ballot.

Greg Petesch stated that to date in order to tract that we created a specific category on status called tax referendums. Anything that was necessary to be voted on by the passage of CI-75 are all listed under that category. These are only statewide issues.

SENATOR TOM BECK thought it would be good if we had a separation. If there are 250 bills today and 25 of those are CI-75, we want two numbers that move forward so if we have 1000 or 1500 bills we want to be able to say 250 are CI-75.

Greg Petesch said they would have to create a category for total number of bills and CI-75 related bills

CHAIRMAN HARP asked for a motion to adjourn.

Motion/Vote: **SEN. COCCHIARELLA** moved **ADJOURNMENT**. Motion carried unanimously.

ADJOURNMENT

Adjournment: 10:45 A.M.

SEN. JOHN HARP, Chairman

Fredella D. Haab, Secretary

JG/fdh

EXHIBIT (rus05aad)